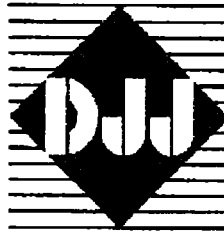


FEB 21 2012 -8 10 AM

SURFACE TRANSPORTATION BOARD



February 20, 2012

Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Streets, SW
Washington, DC 20423-0001

Dear Section Chief:

Please find attached one original of the Memorandum of Rider No. 3 to the Master Lease Agreement dated as of February 17, 2012 between the following parties:

Lessee: Watco Companies, Inc.
 315 West 3rd Street
 Pittsburg, KS 66762

Lessor: The David J. Joseph Company
 300 Pike Street
 Cincinnati, OH 45202

Please see Exhibit A for the equipment, (32) railcars, involved in this transaction.

This filing is to appear in the index as follows: Memorandum of Rider No. 3 to the Master Lease Agreement dated as of February 17, 2012 related to thirty-two (32) railcars bearing reporting marks: ABS 317003 – 317189, sporadic.

Please file this agreement as a primary document. The filing fee in the amount of \$41.00 can be charged to our account. Please return a stamped original to my attention.

Should you have any questions or need further information, please do not hesitate to contact me at (513) 419-6062.

Sincerely,

Julie Woodard
Contract Manager

FEB 21 '12 -8 10 AM

**MEMORANDUM OF RIDER NO. 3 TO THE
MASTER LEASE AGREEMENT****SURFACE TRANSPORTATION BOARD**

This **MEMORANDUM OF RIDER NO. 3 TO THE MASTER LEASE AGREEMENT** ("Memorandum of Lease") entered into this 17th day of February 17, 2012, is intended to evidence the master lease agreement dated as of October 1, 2011 and subsequent rider number 3 to the master lease agreement dated October 1, 2011 (collectively, the "Lease"), between **THE DAVID J. JOSEPH COMPANY**, a Delaware corporation ("Lessor"), and **WATCO COMPANIES, INC.**, a Kansas corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 49 of U.S.C. 11301. Lessee has the right to use the thirty-two (32) railcars described in Exhibit A attached hereto (the "Units"). Lessee is renting from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor, pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

THE DAVID J. JOSEPH COMPANYBy: Kelly C. PoelleinName: Kelly C. PoelleinTitle: Vice President, Finance – BrokerageDate: February 17, 2012

STATE OF OHIO)
) **SS:**
COUNTY OF HAMILTON)

The foregoing instrument was acknowledged before me this 17th day of February, 2012, by Kelly C. Poellein, the Vice President, Finance – Brokerage of The David J. Joseph Company, a Delaware corporation, on behalf of the corporation.

Angela Denise Watts
Notary Public

My Commission has no expiration.

ANGELA DENISE WATTS
Attorney at Law
Notary Public, State of Ohio
My Commission Has No Expiration
Date Section 147.03 O.R.C.

EXHIBIT A

To the Memorandum of Lease dated February 17, 2012, between The David J. Joseph Company and WATCO Companies, Inc.

DESCRIPTION OF UNITS

Thirty-two (32) railcars bearing reporting marks:

ABS317003
ABS317014
ABS317021
ABS317023
ABS317026
ABS317028
ABS317033
ABS317037
ABS317038
ABS317042
ABS317046
ABS317049
ABS317053
ABS317057
ABS317060
ABS317061
ABS317062
ABS317063
ABS317085
ABS317087
ABS317089
ABS317090
ABS317100
ABS317102
ABS317108
ABS317119
ABS317122
ABS317157
ABS317160
ABS317167
ABS317171
ABS317189